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015/032

67,063-020

**EXHIBIT B**

-14-

PAGE 15/32 \* RCVD AT 5/5/2005 4:05:50 PM [Eastern Daylight Time] \* SVR:USPTO-EFXRF-17 \* DNIS:8729306 \* CSID:12489888363 \* DURATION (mm:ss):17-08

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In our opinion, to adopt such a *per se* rule would be contrary to the language of 35 U.S.C. § 251 which permits broadened claims in a reissue patent. That is not to say that applicants are unfettered in amending their issued claims in their reissue application. Appellants' decision not to appeal the examiner's rejection of claim 1 (once amended) but to amend the claim and attempt to define narrower, patentable subject matter constitutes an irrevocable admission that a claim of that scope, the outer circle in Drawing 1 and broader, is unpatentable. Appellants had their chance to test the correctness of the examiner's rejection by way of appeal to this Board and chose not to do so. Appellants therefore cannot retreat all the way through the shaded area of Drawing 1 in this reissue and revisit that issue. Thus, claim 1 (once amended) constitutes surrendered subject matter under the "reissue recapture rule," but the issued claim does not.

For example, if an outer circle claim contains elements ABC and the inner circle claim contains elements ABCDEF, a reissue applicant cannot recapture a claim directed to elements ABC (outer circle) or a claim entirely outside the outer circle (e.g., AB, BC, ABC<sup>2</sup>, etc.). However, it is our view that the reissue recapture rule is not invoked for claims directed to elements ABCX, ABCD and ABCER, A, B, C, D, E, R. In other words, the focus for determining the reach of the reissue recapture rule should be the claim from which the issued claim directly evolved, not the issued claim itself. We believe that this is where we and the members of the dissent disagree.

Another way of viewing the present circumstances is to understand that a claim such as claim 1 (once amended) represents or includes a number of discrete embodiments. It cannot be assumed that an examiner's rejection of a claim such as claim 1 (once amended) is a finding that *all* embodiments within the claim are unpatentable. Rather, an examiner's prior art may only teach or make obvious a limited number of embodiments within the scope of a claim. However, it has long been held that claims which encompass as obvious subject matter are unpatentable.<sup>3</sup>

<sup>3</sup>The subscript BR designates a broader element, thus element C can be broader than element C.

<sup>4</sup>See, e.g., *In re Shatz*, 435 F.2d 1059, 173 USPQ 21, 26 (CCPA 1972) ("[C]laims 14 is too broad in the sense of section 103, since it reads on both obvious and unobvious subject matter.").

Thus, such a claim is unpatentable and must be further amended. Given the difficulties in defining mechanical objects using the English language, it is not unexpected that in choosing language to exclude "obvious" embodiments from claim 1 (once amended), yet retain all "non-obvious" embodiments, the claim drafter may have erred in choosing the amending language, including the language used in the limitations which the record would indicate secured allowance of the patented claims. On this record, this is what has happened here. In our view, such errors are correcitable under the terms of 35 U.S.C. § 251 if the claim otherwise meets the statutory requirements.

Appellants' specification discloses two embodiments at issue in this appeal. The first embodiment is shown in Figures 2 and 3.

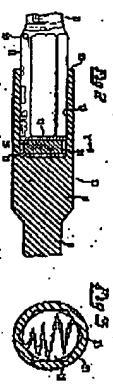


Fig. 2

#### First Embodiment of Eggert

Figure 2 shows a bit holder 20 having a magnet 34 held in place by a retainer 26 which is made of suitable metal and is shaped as a flat circular disk. See column 2, lines 53 - column 3, line 5 of the Eggert patent. Figure 3 is a view of a vertical section taken along the line 3-3 in Figure 2. Figure 3 shows the circular retainer 26 friction fitted in an axial hexagonal bore 23.

The second embodiment is shown in Figures 4, 5 and 6.

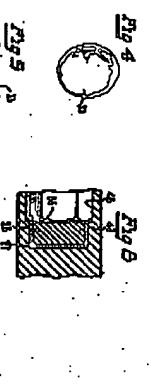


Fig. 4  
Fig. 5  
Fig. 6

Appellants' original independent claim 1 recited the language "retaining structure in contact with the outer surface of said magnet and interference fitted in said bore to retain said magnet in said bore." Original claim 1, thus, encompassed both the first and second embodiments of Eggert.<sup>4</sup> The examiner applied U.S. Patent No. 4,663,998 to Parsons for a teaching of the broadly claimed retaining structure.

#### Parsons Embodiment

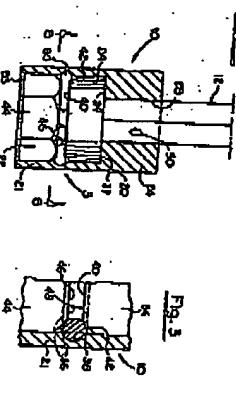


Fig. 7  
Fig. 8  
Fig. 9

Figure 2 shows magnet 34 held in a cylindrical bore by means of a C ring 36. See column 1, lines 35-65, of Parsons. Figure 3 of Parsons is a large scale sectional view of a portion of the C ring 36 releasably held in a peripheral groove 38 formed in the wall 21. See column 1, lines 29 and 30, and lines 60-65. Figure 3 of Parsons shows a sectional view taken at line 5-5 of Figure 2 and shows C ring 36 releasably held in peripheral groove 38 formed in the wall 21. See column 1, lines 34 and 35, and lines 60-65. Thus, Parsons describes what in essence is a third embodiment covered by the language of appellants' original claim 1.

#### Second Embodiment of Eggert

In response to the examiner's rejection applying Parsons to the claimed retaining structure, appellants filed an amendment adding a discrete retaining member friction fitted in said bore outboard of said magnet, said retaining member and said inner end surface operating to retain said magnet therebetween" (claim 1 (once amended)).

We note that this language presented in once amended independent claim 1 continued to encompass both the first and second embodiments of Eggert.<sup>5</sup> In other words, the language is of such scope that it would include both a solid flat metal disk 26 as shown in Figures 2 and 3 (the first embodiment) and the plastic disk which is concave away from the magnet as shown in Figures 4, 5 and 6 (the second embodiment).

#### Parsons Shows a Magnetic Wrench Socket

Also at that time in the prosecution, the application contained claim 6 which was dependent upon claim 1; claim 6 was solely directed to the second embodiment. Claim 6 added to claim 1 the limitation of "said retaining member being generally bow-shaped and convex toward said magnet." This claim language corresponds only to the second embodiment disclosed in Figures 4, 5 and 6.

In response to the above-noted amendment to claim 1, the examiner disagreed with the appellants' assertions of patentability of claim 1 (once amended) and maintained that the claimed retaining structure including a dis-

<sup>5</sup>One amended claim 1 no longer encompassed the encapsulated magnet embodiment shown in Figures 7-9 of Eggert since the encapsulated magnet embodiment does not have a discrete (i.e., constituting a separate thing) distinct consisting of unconnected distinct parts) retaining member friction fitted in the bore out-

crete retaining member friction fitted in the bore was readable on the C ring of Parsons. The examiner then made the ensuing rejection final. In response, appellants filed an after final amendment which simply rewrote dependent claim 6 into independent form thereby having claim 1 (twice amended) include the limitation of the retaining member being generally bowl-shaped and convex toward the magnet. The examiner rejected the after final amendment and allowed the claim. However, in their after final amendment of claim 1 the appellants chose non-generic language which excluded their disclosed first embodiment which is a flat, circular metal disk.<sup>6</sup> This is the error which appellants now wish to correct by reissue.

To this end, appellants present in this reissue application new independent claims 15 and 22 which are sufficient in scope to not only cover both of their disclosed embodiments, but also distinguish over the C ring of Parsons. For example, the new language of claim 15 reads "a discrete retaining member friction fitted in said bore outboard of said magnet and substantially covering said outer surface of said magnet to retain said magnet in the bore." The scope of this language includes both the first and second embodiments of appellants' invention, and as recognized by the examiner, is free of the prior art on this record.

Appellants' after final amendment of claim 1 establishes the subject matter of finally rejected claim 1 as surrendered subject matter (the outer circle of Drawing 1) since the after final amendment (the inner circle of Drawing 1) was a concession on appellants' part that finally rejected claim 1 was unpatentable. The limitation of newly added reissue claim 15 of "a discrete retaining member friction fitted in said bore outboard of said magnet and substantially covering said outer surface of said

magnet to retain said magnet in the bore" represents subject matter within the shaded area of Drawing 1.

No doubt, all concerned with that appellants would have arrived at the language now presented in reissue claims 15 and 22 during prosecution of the 992 application. However, errors in choosing the most appropriate claim language during prosecution do occur. The reissue application filed within a two-year period after issuance of the patent and (2) intervening rights, 35 U.S.C. §§ 251 and 252. In addition, the public is notified by the USPTO when a reissue application is filed and has access to that application during its pendency, 37 CFR § 1.11(b); Manual of Patent Examining Procedure (MPEP) § 430. This in contrast to the situation involving an applicant who may file a continuing application to pursue broader claims in relative secrecy, without the two-year constraint and intervening rights provisions provided for by the reissue statute. The applicant who uses the continuing application route to pursue broader claims also would not be constrained in any sense by the reissue recapture rule or be barred by prosecution history estoppel from obtaining claims of the same scope as or broader than the claims canceled in the parent application. Given the alternatives discussed above, we do not see the wisdom of imposing a *per se* rule like that requested by the examiner which would motivate applicants to file otherwise unnecessary continuing applications to pursue broader claims and thereby avoid intervening rights. In our view, focusing the starting point of a reissue recipient rule analysis on the claim that was amended to become the issued claim, i.e., the canceled, outer circle of Drawing 1, instead of the issued, inner circle of Drawing 1, itself will result in the corrected patent rights of a patentee being resolved more quickly and in a more public manner.

<sup>6</sup> Appellants filed a "divisional" Application No. 08/593,398 of the 992 application on January 29, 1996. A portion of this application included an amendment relating "said retaining structure including a discrete, flat, horizontal retaining member." This is evidence that appellants did not surrender to the public the flat embodiment of Egger which is a flat, circular metal disk. This "divisional" application issued as U.S. Patent No. 5,600,246 on February 18, 1997. A reissue application of U.S. Patent No. 5,600,246 was filed on July 2, 1998. A reissue patent was granted on August 1, 2000 (RE 36,787).

<sup>7</sup> The subject matter of the continuing application would usually be published as provided by 35 U.S.C. § 12(b).

## DECISION

"The examiner's request (page 2) asserts that the Board erred as a matter of law in holding that the 'surrendered subject matter' that cannot be recaptured in a reissue is limited to the claims canceled or amended during prosecution of the application that matured into the 426 patent after a rejection of those claims based on prior art." Further, the request urges this Board to apply a *per se* rule that "after the addition of a claim limitation to secure allowance of a patent, an attempt to subsequently obtain patent protection by reissuing the patent with one or more claims that do not contain that limitation is impermissible because this is not a [correctable] error" (request, page 3). According to the examiner (request, page 4), the Board committed error when it held, in the earlier decision, "that the substitution in the reissue application of the limitation 'and substantially covering said outer surface of said magnet' for the limitation 'generally bowl-shaped, being convex toward said magnet' of the original patent was [correctable] error under 35 U.S.C. § 251."

For the reasons which follow, we conclude that the original merits panel did not err in refusing to apply a *per se* rule that, after a limitation is added to a claim or argued to be significant in distinguishing a claim over prior art applied in a rejection, any reissue claim which does not contain that limitation is *per se* impermissible. The rigid approach urged by the examiner, in our opinion, is neither consistent with the remedial nature of the reissue statutes nor supported by the legal precedent of our reviewing courts.

### *The reissue statutes*

35 U.S.C. § 251, ¶ 1, provides in pertinent part:

Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Director shall reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent.

<sup>8</sup> 35 U.S.C. § 251, ¶ 4, provides:

No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.

35 U.S.C. § 252, ¶ 2, provides:

A reissued patent shall not abridge or affect the right of any person or that person's successors in business who, prior to the grant of a reissue, made, purchased, offered to sell, or used within the United States, or imported into the United States, anything patented by the reissued patent, to continue the use of, to offer to sell, or to sell to others to be used, offered for sale, or sold, the specific thing so made, purchased, offered for sale, used, or imported unless the making, using, offering for sale, or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continuation of manufacture, use, offer for sale, or sale of the thing made, purchased, offered for sale, used, or imported as specified, or for the manufacture, use, offer for sale, or sale in the United States of which substantial preparation was made before the grant of the reissue, and the court may also provide for the continued practice of any process patented by the reissue that is practiced, or for the practice of which substantial preparation was made, before the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

<sup>9</sup> While we appreciate the dissent's concern

for the rights of the public in relying on prosecution history to determine the scope of activities that constitute infringement of the patent claims, we also recognize that (1) the fourth paragraph of 35 U.S.C. § 251 clearly places the Public on notice that the scope of claims of a patent may be broadened in a reissued patent applied for within two years from the grant of a patent and (2) the second paragraph of 35 U.S.C. § 252 provides safeguards which protect the rights and investments of persons who, prior to the grant of a reissued patent, made, purchased, offered to

the United States or made substantial preparation for such activities anything patented by the reissue patent and not patented by the original patent. In other words, Congress, while permitting broadening of patent claims by reissue within two years from the grant of a patent to correct errors made by a patentee without deceptive intent, has provided for intervening rights to protect inventions made by persons in reliance on the prosecution history of a patent in furtherance of activities which were not covered by the original patent claims but are covered by broadened reissue claims. In this regard, the reissue process stands apart from and in contrast to the application of the doctrine of equivalents, wherein intervening rights are not provided to protect the public from reliance on prosecution history estoppel in interpreting the scope of a patent claim. This is also in contrast to the filing of a continuing application by an applicant to pursue broader claims in relative secrecy, as compared with the more public proceedings in reissue applications<sup>8</sup>, without the two-year constraint and intervening rights provided by the reissue statutes. The applicant who uses the continuing application route would also not be constrained in any sense by the reissue recapture rule. Given these alternatives, imposing the *per se* rule urged by the examiner would appear only to push applicants to file continuing applications to pursue broader claims in a manner which does not ensure the safeguards afforded by the reissue statutes.

#### The precedent

With respect to a different, but related issue, namely, prosecution history estoppel, the United States Supreme Court recently recognized that:

[U]nfortunately, the nature of language makes it impossible to capture the essence of a thing in a patent application. The inventor who chooses to patent an invention and disclose it to the public, rather than exploit it in secret, bears the risk that others will devote their efforts toward exploiting the limits of the patent's language.<sup>9</sup>

"An invention exists most importantly as a tangible structure or a series of drawings."

<sup>8</sup>The public is notified by the USPTO when a reissue application is filed and has access to the application during its pendency. 37 CFR § 1.11(b); AIA PEP 1430.

A verbal portrayal is usually an afterthought written to satisfy the requirements of patent law. This conversion of machine to words allows for unintended idea gaps which cannot be satisfactorily filled. Often the invention is novel and words do not exist to describe it. The dictionary does not always keep abreast of the inventor. It cannot. Things are not made for the sake of words, but words for things." *Autogiro Co. of America v. United States*, 384 F.2d 391, 397 [155 USPQ 597] (C.A. Cl. 1967).

The language in the patent claims may not capture every nuance of the invention or describe with complete precision the range of its novelty. If patent were always interpreted by their literal terms, their value would be greatly diminished. Unimportant and insubstantial substitutes for certain elements could defeat the patent, and its value to inventors could be destroyed by simple acts of copying. For this reason, the clear-scope of a patent is not limited to its literal terms but instead embraces all equivalents to the claims described. See *Witman v. Denmead*, 15 How. 330, 347 (1854).

*Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 122 S.Ct. 1831, 1837, 62 USPQ2d 1705, 1709-10 (2002). The United States Supreme Court also acknowledged that patent applicants should not be presumed to have had more foresight in making such amendments than an applicant whose application was granted without amendments having been submitted. *Id.* at 1841, 62 USPQ2d at 1712.

Moreover, with respect to the reissue statute, as recently explained by our reviewing court in *In re Doyle*, 293 F.2d 1355, 1358, 63 USPQ2d 1151, 1164 (Fed. Cir. 2002):

(b) its terms section 251 restricts reissue to situations in which an error occurred having "claim[ed] more or less than he had a right to claim in the patent." "The statute is remedial in nature, based on

ing. A verbal portrayal is usually an afterthought written to satisfy the requirements of patent law. This conversion of machine to words allows for unintended idea gaps which cannot be satisfactorily filled. Often the invention is novel and words do not exist to describe it. The dictionary does not always keep abreast of the inventor. It cannot. Things are not made for the sake of words, but words for things." *Autogiro Co. of America v. United States*, 384 F.2d 391, 397 [155 USPQ 597] (C.A. Cl. 1967).

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This is the underlying policy behind what has come to be known as the "reissue recapture rule." In its simplest terms, this rule may be summarized as follows: A patentee is precluded from recapturing in reissue that which he earlier conceded was unpatentable and abandoned or surrendered, whether by cancellation, amendment or argument of claims, for the purpose of obtaining the original patent.

Accordingly, it seems clear to us that the reissue recapture rule focuses on that which the prosecution history indicates was given up or conceded to be unpatentable by an applicant, i.e., the "surrendered subject matter," in order to obtain a patent, for this is the subject matter which cannot be recaptured in reissue. Indeed, the examiner, appellants and the original patent all appear to be in agreement on this broad principle. The nature of the dispute appears to reside in the manner in which the surrendered subject matter is to be determined. The examiner contends that the recapture rule prohibits a patentee from obtaining in reissue any claim which does not include each and every limitation added to a claim or argued by an applicant during the prosecution of the original patent application in order to overcome a rejection and obtain a patent, citing *Shapiro v. Cameran*, 116 U.S. 593 (1886); *In re Byers*, 230 F.2d 451, 456-57, 109 USPQ 53, 57 (CCPA 1965); and *Riley v. Broadway-Hale Stores, Inc.*, 217 F.2d 530, 532, 103

We are also mindful, however, of the adage that:

...[e]rror under the reissue statute does not include a deliberate decision to sur-

render specific subject matter in order to

overcome prior art; a decision which in light of subsequent developments in the marketplace might be regretted. It is precisely because the patentee amended his

claims to overcome prior art that a mem-

ber of the public is entitled to occupy the

space abandoned by the patent applicant.

Thus, the reissue statute cannot be con-

sidered in such a way that competitors,

properly relying on prosecution history,

become infringers when they do so.

*Mensor Corp. v. Colopkar Inc.*, 998 F.2d 992, 996, 27 USPQ2d 1521, 1525 (Fed. Cir. 1993).

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*Hale Stores, Inc.*, 217 F.2d 530, 532, 103

USPQ 414, 416 (9th Cir. 1954) as support for this proposition (repeated, page 10). This approach, while certainly relatively simple in its application, has been expressly rejected by the Court of Customs and Patent Appeals (CCPA) and the Court of Appeals for the Federal Circuit (Federal Circuit).

With respect to *Shepard*, the CCPA, in *In re Richman*, 409 F.2d 269, 274-75, 161 USPQ 359, 363 (CCPA 1969), noted that:

Referring back to *Shepard*, however, it is apparent that the situation there was one in which the omission of the added limitation would have resulted in the claim being drawn to the same subject matter as the original rejected claim, to which the limitation was added, thus making it

unpatentable over *the prior art* for the same reason as the original claim. We therefore [do not] find [the *Shepard* decision] to be authority for the proposition

that a limitation added to a claim in ob-

taining allowance cannot be broadened,

under present statutory law, by reissue if

the limitation turns out to be more re-

strictive than the prior art required. Cer-

tainly one might err under deceptive in-

terpretation in adding a particular limitation

where a less specific limitation regarding

the same feature, or an added limitation

relative to another element, would have

been sufficient to render the claims pat-

entable over the prior art.

In *Ball Corp. v. United States*, 729 F.2d 1429, 1435, 221 USPQ 289, 294 (Fed. Cir. 1984), the Federal Circuit pointed out that the CCPA had repeatedly held that the deliberate cancellation of claims *may* constitute error, within the context of § 251 if it occurs with- out deceptive intent and emphasized that "the

CCPA went so far as to state that error is suf-

ficient where the deliberate cancellation of

claims does not amount to an admission that

the reissue claims were not patentable at the

time the original claims were canceled."

The court emphasized that the rejection was not based on the cancellation of

the other broader claims, but on the limiting amendment

of original claim 20: "[T]he fact that there were other claims whose cancellation did not constitute such a bar is immaterial." *Eggers*, 219 F.2d at 456-57, 109 USPQ

<sup>9</sup>The examiner's characterization of *Eggers* as addressing the issue of patentability of reissue claims of intermediate scope, that is, broader than the original claim, yet narrower than certain canceled claims in the application, is misguided, in that the basis of the hold-

Federal Circuit then expressly declined to adopt "the rigid standard" applied in *Riley*, namely, "when the chief element added by reissue as of the claim as originally presented, the reissue is void," in favor of the more liberal approach taken by the CCPA. *Ball* at 1436, 221 USPQ at 294, according to *Ball*.

[T]he recapture rule bars the patentee from acquiring, through reissue, claims that are of the same or of broader scope than those claims that were canceled from the original application. On the other hand, the patentee is free to acquire, through reissue, claims that are narrower in scope than the canceled claims.

*Id.* at 1436, 221 USPQ at 295. *Ball* also establishes that "[t]he proper focus is on the scope of the claims, not on the individual feature or elements purportedly given up during prosecution of the original application." *Id.* at 1437, 221 USPQ at 295. This approach is consistent with the CCPA's determination in *Byers* to that the applicant's "action in limiting the scope of original claim 20 by amendment constituted a deliberate withdrawal of that claim as originally presented, in order to obtain a patent, and that such withdrawal is a bar to the obtaining by reissue of claim 20 as it originally stood, or of any claim differing therefrom only by being broader." 11 The importance of focusing on the scope of the claims in determining whether a reissue claim is permissible under the recapture rule is also emphasized in *In re Willingham*, 282 F.2d 353, 356, 127 USPQ 211, 215 (CCPA 1960), wherein it was pointed out that "the issue before us is not the issue presented in many reissue cases" in which an applicant cancels a claim to secure the issuance of the patent and then seeks to reacquire it by a claim of the same scope in a "reissue application." The CCPA further stated therein that:

[T]he deliberate cancellation of a claim of an original application in order to secure a patent cannot ordinarily be said to be an "error" and will in most cases prevent

<sup>11</sup> It is noteworthy that the CCPA identified the surrendered subject matter which cannot be recaptured in the same manner as the claim as originally presented prior to the amendment as distinguished from any claim not containing the limitation added to obtain allowance.

*Id.* at 357, 127 USPQ at 215. In *Mentor*, 998 F.2d at 1193, 27 USPQ2d at 1524, the Federal Circuit reiterated its statement from *Ball* that "[t]he recapture rule bars the patentee from acquiring, through reissue, claims that are of the same or of broader scope than those claims that were canceled from the original application" and went on to add that:

[R]eissue claims that are broader in certain respects and narrower in others may avoid the effect of the recapture rule. If a reissue claim is broader in a way that does not attempt to reclaim what was surrendered earlier, the recapture rule may not apply. However, in this case, the reissue claims are broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution. *Mentor* thus attempted to reclaim what it earlier gave up. Moreover, the added limitations do not narrow the claims in any material respect compared with their broadening.

*Id.* at 996, 27 USPQ2d at 1525. The language of *Mentor* refers both to a comparison of the scope of the reissue claim relative to the surrendered claim and to a comparison of the scope of the reissue claim relative to the original patent claims. To the extent one may perceive an inconsistency, it is resolved by *In re Clement*, 131 F.3d 1464, 4468-72, 45 USPQ2d 1161, 1163-67 (Fed. Cir. 1997), which we think provides more explicit guidance as to what is meant by "broader in a manner directly pertinent to the subject matter surrendered during prosecution," as will be made more clear in our discussion *infra*. In any event, the holding in *Mentor* was that a reissue claim does not avoid the recapture rule when the reissue claim has been (1) broadened during prosecution, as will be made

the applicant from obtaining the cancelled claim by reissue. The extent to which it may also prevent him from obtaining other claims differing in form or substance from that cancelled necessarily depends upon the facts in each case and particularly on the reasons for the cancellation.

*Id.* at 357, 127 USPQ at 215.

In *Clement*, 131 F.3d at 1468, 45 USPQ2d at 1163-64, the Federal Circuit stated that, while an attorney's failure to appreciate the full scope of the invention qualifies as error under § 251 and is correctable by reissue, the recapture rule "prevents a patentee from regaining through reissue the subject matter he surrendered in an effort to obtain allowance of the original claims." Reiterating the language used in *Mentor*, the Federal Circuit confirmed that, "[u]nder this rule, claims that are 'broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution' are impermissible." *Id.* at 1468, 45 USPQ2d at 1164. The *Clement* decision then explains how this rule is applied, i.e., how it is determined whether claims are "broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution." *Mentor* thus delineates a limitation or element from the patent claims in that limitation's aspect:

"The second step is to determine whether the broader aspects of the reissue claims relate to surrendered subject matter." *Id.* at 1468-69, 45 USPQ2d at 1164. To determine whether an applicant surrendered particular subject matter, we look to the prosecution history for arguments and amendments made to the claims in an effort to overcome a prior art rejection. Although the recapture rule does not apply in the absence of evidence that the applicant's amendment of a claim was an admission that the scope of that claim was not patentable, the court may draw inferences from changes in claim scope when other reliable evidence of intent is not available. Deliberate cancellation or amendment of a claim in an effort to overcome a reference strongly suggests that the applicant admits that the scope of the claim before the cancellation or amendment is unpatentable, but is not dispositive, where other evidence in the prosecution history indicates to the contrary. *Id.* at 1469, 45 USPQ2d at 1164.

Once we determine that an applicant has surrendered the subject matter of the

and (2) not narrowed in any material respect compared with the broadening.

In *Clement*, 131 F.3d at 1468, 45 USPQ2d at 1163-64, the Federal Circuit stated that, while an attorney's failure to appreciate the full scope of the invention qualifies as error under § 251 and is correctable by reissue, the recapture rule "prevents a patentee from regaining through reissue the subject matter he surrendered in an effort to obtain allowance of the original claims." Reiterating the language used in *Mentor*, the Federal Circuit confirmed that, "[u]nder this rule, claims that are 'broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution' are impermissible." *Id.* at 1468, 45 USPQ2d at 1164. The *Clement* decision then explains how this rule is applied, i.e., how it is determined whether claims are "broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution." *Mentor* thus delineates a limitation or element from the patent claims in that limitation's aspect:

"The second step is to determine whether the broader aspects of the reissue claims relate to surrendered subject matter." *Id.* at 1468-69, 45 USPQ2d at 1164. To determine whether an applicant surrendered particular subject matter, we look to the prosecution history for arguments and amendments made to the claims in an effort to overcome a prior art rejection. Although the recapture rule does not apply in the absence of evidence that the applicant's amendment of a claim was an admission that the scope of that claim was not patentable, the court may draw inferences from changes in claim scope when other reliable evidence of intent is not available. Deliberate cancellation or amendment of a claim in an effort to overcome a reference strongly suggests that the applicant admits that the scope of the claim before the cancellation or amendment is unpatentable, but is not dispositive, where other evidence in the prosecution history indicates to the contrary. *Id.* at 1469, 45 USPQ2d at 1164.

*Clement* goes on to try to harmonize the opposite holdings in *Ball* (reissue claims avoided recapture rule) and *Mentor* (reissue claims did not avoid recapture rule), two cases in which the reissue claims were broader than the canceled or intended claim, in some aspects, but narrower in others. In *Mentor*, the issued claim was directed to a condom catheter and recited an adhesive that was transferred from an outer to an inner surface. In the condom inside-out, one of the canceled claims recited that the adhesive was transferred from the outer to the inner surface. In making amendments to the claim, the applicant argued that none of the references relied upon showed the transfer of the adhesive from the outer surface to the inner surface. The reissue claim eliminated the limitation that adhesive was transferred from the outer surface to the inner surface and was, therefore, broader than both the issued claim and the canceled claim in this aspect. Although the reissue claim was also narrowed with respect to the canceled claim, it did not escape the recapture rule because these limitations did not "materially narrow the claim." *Id.* at 1469-70, 45 USPQ2d at 1165. Similarly, in *Ball*, the reissue claims were broader than a canceled claim in one aspect (deletion of the cylindrical configuration limitation) and narrower in another aspect (the feed means element). The prosecution history showed that the "prinzip of feedlines" limitation was added in an effort to overcome the prior art, but the cylindrical configuration limitation was neither added in an effort to overcome a prior art rejection nor argued to distinguish the claims from a reference. The Federal Circuit determined that the patentee was not attempting to recapture, rendered subject matter because, on balance,

canceled claim with respect to the feed means as-  
pect, the limitation relied upon to overcome

the prior art rejection, and broader with re-  
spect to the cylindrical configuration limita-

tion, which was not relied upon by the patent

tee to overcome a prior art rejection. *Id.*

From the results and reasoning in the *Menor* and *Balt* cases, the Clement court derived the following principles:

- (1) if the resuse claim is as broad as or  
broader than the canceled or amended  
claim [the surrendered subject matter] in  
all aspects, the recapture rule bars the  
claim;
- (2) if it is narrower [than the sur-  
rendered subject matter] in all aspects,  
the recapture rule does not apply, but  
other rejections are possible;
- (3) if the re-  
use claim is broader [than the surren-  
dered subject matter] in some aspects,  
but narrower [than the surrendered sub-  
ject matter] in others, then: (a) if the re-  
capture rule bars the claim; (b) if the re-  
use claim is as broad as or broader in  
an aspect germane to a prior art rejection,  
but narrower in another aspect, com-  
pletely unrelated to the rejection, the re-  
capture rule bars the claim; (c) if the re-  
use claim is narrower in an aspect ger-  
mane to [a] prior art rejection, and  
broader in an aspect unrelated to the re-  
jection, the recapture rule does not bar  
the claim, but other rejections are pos-  
sible. *Menor* is an example of (3)(a);

*Balt* is an example of (3)(b).

In applying the above-mentioned test to the facts in that case, the Clement court found that the resuse claim was narrower than the can- celled claim, with respect to a limitation (brightness) which was added in an effort to overcome a prior art rejection. That narrowing thus related to a prior art rejection. The resuse claim was also found to be broader than the canceled claim in that it eliminated other limitations added to overcome several prior art rejections. That broadening thus related directly to several prior art rejections. The Clement court concluded that, "[o]n balance, resuse claim 49 is broader than it is narrower in a manner directly pertinent to the subject matter that Clement surrendered throughout the prosecution" and thus was impermissible under the recapture rule. *Id.* at 1471, 45 USPQ2d at 1166.

*In Hester Industries, Inc. v. Stein, Inc.*, 142 F.3d 1472, 480-82, 46 USPQ2d 1641, 1648-1649 (Fed. Cir. 1998), the court held that the resuse claim was broader than the original patent claims. Next, in accordance with the second step, the court examined whether these broader aspects related to surrendered subject matter. In that patent claim 1, the sole independent claim, issued in substantially the same form in which it was first filed, there was no amendment or cancellation of claims from which it could be concluded that the applicant had surrendered subject matter. The Hester court, however, concluded that "in a proper case, a surrender can occur through arguments alone." *Id.* at 1482, 46 USPQ2d at 1649. With this in mind, the Hester court then determined that the applicant's repeated arguments during prosecution of the patent application that "solely with steam" and "two sources of steam" limitations were necessary to overcome the prior art, and, hence, resulted in a surrendered of "claim scope that does not include these limitations" (i.e., claim 1 without the "solely with steam" and "two sources of steam" limitations). *Id.*

Having determined that there had been a surrender, the Hester court next set out to determine whether the surrendered subject matter had crept into the resuse claims. Noting that comparing the resuse claims with the canceled or amended claim is one way to do this when the surrender occurs by way of claim amendment or cancellation, the Hester court recognized that such analysis is not available when the surrender is made by way of argument alone. Instead, when the surrender is made by way of argument alone, "we simply analyze the asserted resuse claims to determine if they were obtained in a manner contrary to the arguments on which the surrender is based." *Id.* In that none of the resuse claims included either the "solely with

steam" or "two sources of steam" limitation,

the Hester court determined that the surren-

dered subject matter, i.e., cooking other than

solely with steam and with at least two

sources of steam, had crept into the resuse

claims.

While establishing that surrender can occur through argument alone, Hester certainly does not make any attempt to alter the test set forth in *Clement* for determining whether surren-

dered subject matter has crept into the claim

when the surrender occurs by way of claim amendment or cancellation, that is, compari-

son of the resuse claim with the canceled or

extended claim. In any event, citing *Menor*,

recognition that the recapture rule may be

avoided in some circumstances where the re-

sue claims were materially narrowed in re-

spects other than those in which the resuse

claims were broadened. In particular,

[i]n the context of a surrender by way of argument, this principle, in appropriate cases, may operate to overcome the re- capture rule when the resuse claims are materially narrower in other overbroaded aspects of the invention. The purpose of this exception to the recapture rule is to allow the patentee to obtain through re-

issue a scope of protection to which he is rightfully entitled for such overlooked aspects.

*Id.* In the context of a surrender by way of argument, this principle, in appropriate cases, may operate to overcome the re- capture rule when the resuse claims are materially narrower in other overbroaded aspects of the invention. The purpose of this exception to the recapture rule is to allow the patentee to obtain through re-

issue a scope of protection to which he is rightfully entitled for such overlooked aspects.

*Id.* at 1482-83, 46 USPQ2d at 1649-50. Thus, Hester certainly does not support the examiner's *per se* rule that "[a]fter the addition of a claim limitation to secure allowance of a patent, an attempt to subsequently obtain patent protection by reissuing the patent with one or more claims that do not contain that limitation is impermissible because this is not a [correctable] error" (request, page 3). On the contrary, Hester leaves open the possibility that such resuse claims may avoid the recapture rule where they are materially nar-

rowed in other respects.

*Panu v. Stoer Instruments Inc.*, 258 F.3d 1366, 1370-71, 59 USPQ2d 1597, 1600 (Fed. Cir. 2001), also fails to provide support for the *per se* rule which the examiner urges this Board to apply. *Panu* expressly endorses the three-step process for applying the recapture rule set forth in *Clement* and *Hester*. Specifically, according to *Panu*:

"The first step is to 'determine whether

and in what aspect' the resuse claims

are broader than the patent claims." The

second step is to determine whether the

broadest aspects of the resused claim re-

lated to surrendered subject matter. Fi-

nally, the court must determine whether the resused claims were materially nar-

rowed in other respects to avoid the re-

capture rule.

*Id.* at 1371, 59 USPQ2d at 1600 (citations omitted). Thus, while the particular resuse claims in *Panu* were held not to avoid the re-

capture rule, *Panu* clearly also leaves open the possibility that resuse claims which have been broadened in an aspect related to surren-

dered subject matter may avoid the recap-

ture rule if they are materially narrowed in other respects.

We acknowledge that the statement in *Panu* that "[o]n resuse, [Panu] is estopped from attempting to recapture the precise limitation he added to overcome prior art rejec-

tions" (*id.* at 1372, 59 USPQ2d at 1601) may,

when viewed in complete isolation, appear to provide limited support for the *per se* rule

which the examiner urges us to follow. We

recognize that such a *per se* rule would elimi-

nate the need for fact-specific analysis and

thus may be administratively convenient for

examiners and, indeed, for the Board to apply.

We are also reminded, however, that the

USPTO has been admonished for trying to ex-

tract *per se* rules from generalized commen-

tary found in cases. *See, e.g., In re Octel*, 71

F.2d 1563, 1572, 37 USPQ2d 1127, 1133 (Fed. Cir. 1995). Accordingly, we decline to

extract from the above-quoted language in

*Panu* a generalized rule that a resuse claim

which omits a limitation relied upon during

prosecution of the patent application is *per se*

impermissible under the recapture rule, re-

gardless of whether the claim has been mate-

rially narrowed in other respects compared to

the surrendered subject matter. Rather, we

consider that the proper inquiry requires a

fact-specific analysis in each case to deter-

mine whether the patentee is attempting to re-

capture by resuse subject matter that was sur-

rendered during the prosecution of the patent

application. Further, *Panu* makes clear that

such analysis is conducted in accordance with

the basic test set forth in *Clement*.<sup>12</sup> The Fed-

Federal Circuit applied the test set forth in *Clement* in analyzing the facts in *Pannu* as follows.

*Pannu's* application was directed to an artificial intraocular lens comprising a round lens called an "optic" that focuses light on the retina, two or more elements called "haptics" that are attached to the optic, and "snag resistant" discs attached at the end of the haptics. In applying the first step of the test set forth in *Clement* to the facts therein, the *Pannu* court determined that reissue claim 1 was broader than patent claim 1 with respect to the shape of the haptics, in that the reissue claim eliminated the limitation that the haptics ("elements") define "a continuous, substantially circular arc having a diameter greater than the diameter of said lens body, said arc curved toward said lens circumference."

In order to determine whether the broader aspect of the reissue claim related to surrendered subject matter, the Federal Circuit looked to the prosecution history of the original patent application. A review of the prosecution history revealed that original claims 1-14 presented in the patent application were rejected by the examiner as obvious under 35 U.S.C. § 103 in light of four prior art references. None of the original claims limited the shape of the haptics. In response to that rejection, *Pannu* filed an amendment canceling claims 1-7 and 10-14, adding new claims 16-22 and amending claims 8 and 9 to depend from claim 16. Independent claim 16 recited the haptics (element) as "defining a continuous substantially circular arc having a diameter greater than the diameter of the lens body," said arc curved toward said lens circumference." The examiner made amendments to claim 16 setting forth structural details of the haptics and the amended claim 16 issued as

patent claim 1.<sup>13</sup> The Federal Circuit determined that:

[I]f the addition of the "continuous, substantially circular arc" limitation to claim 16 and the statements made by *Pannu* to the examiner during prosecution of the '855 patent limited the claim to exclude an interpretation that did not include a continuous, substantially circular arc.

The shape of the haptics was broadened during reissue and was the same subject matter that was surrendered during prosecution.

The reissue claims were also narrower than both claim 16 in the patent application prior to the examiner's amendments and patent claim 1. In that the reissue claims changed the recitation that the length of the haptics was "substantially greater" than the width of the haptics to "at least three times greater" than the width of the haptics and added the limitation that the snag resistant means must be "substantially coplanar" with the haptics. The Federal Circuit reasoned that, since the narrowing aspect of the claim was directed to the positioning and dimensions of the snag resistant means and not to the shape of the haptics (the broadened aspect), "the reissued claims were not narrowed in any material aspect compared with their broadening."<sup>14</sup> *Pannu*, 258 F.3d at 1372, 59 USPQ2d at 1600-01. The Federal Circuit added that "[f]urthermore, if the par-

<sup>13</sup> We note that this amendment results in originally presented claim 16 also being surrendered subject matter. See *Clement*, 131 F.3d at 1471, 45 USPQ2d at 1166 (petitioner abandoned the subject matter of claim 42, as it existed before the examiner's amendment, because he allowed the examiner to amend it to obtain allowance and no other evidence suggested that there was no intent to abandon it).

<sup>14</sup> We note that the district court in the *Pannu* case determined that the three times greater width limitation and coplanar limitation were contained in or similar to parallel terminology to originally filed claim 1 and remained in a dependent claim throughout prosecution of the patent and thus were not contemplated aspects of the original patent. Moreover, the change from substantially greater to three times greater was not a material alteration according to the district court. Thus, the district court concluded that neither limitation materially narrowed the claim. *Pannu v. Storz Instruments, Inc.*, 105 F.Supp.2d 1304, 1309 (S.D. Fla. 2000).

entee is seeking to recover subject matter that had been surrendered during the initial prosecution this flexibility of analysis is eliminated for the prosecution history establishes the substantiality of the change and estops its reapplication. *Anderson v. Int'l Eng'g & Mfg., Inc.*, 160 F.3d 1345, 48 USPQ2d 1631, 1634 (Fed. Cir. 1998); *Pannu*, 258 F.3d at 1372, 59 USPQ2d at 1601. We understand this language, consistent with the prior procedure of the Federal Circuit, to mean that, where a claim subject matter broader than that surrendered during prosecution, the mere presence of narrowing limitations in a reissue claim that has also been broadened in an aspect related to surrendered subject matter escapes the effect of the reissue rule. In other words,

any narrowing limitations in a reissue claim that has also been broadened in an aspect related to surrendered subject matter escapes the effect of the reissue rule. [I]n summary, after considering the examiner's request for reexamining in light of the cases addressing the reissue/recapture rule, we reach the conclusion that the original panel did not err in the earlier decision in this appeal in refusing to apply a *per se* rule that a reissue claim which omits a limitation relied upon to overcome a prior art rejection in prosecuting the patent is always impermissible under the reissue rule. Rather, the panel was correct in applying the fact-specific analysis set forth in *Clement*, as discussed above. Moreover, for the reasons set forth *infra*, applying this analysis to the facts of this case, we reach the same ultimate conclusion that was reached by the panel in the prior decision, namely, that the reissue claims in this case are *not* precluded by the reissue/recapture rule.

*The prosecution history of the patent.* A copy of claim 1, as originally presented in the patent application (Application No. 08/355,992, filed November 8, 1994) which matured into appellants' original patent, appears in Appendix A to this decision. Original claim 4, which depended indirectly from claim 1, further recited "wherein said retaining structure includes a retaining member mounted in said bore-outboard of said magnet for cooperation with said inner end surface to retain magnet therebetween."

In a first Office action (Paper No. 2), the examiner, *inter alia*, rejected claims 4-6 and 17 under 35 U.S.C. § 112, second paragraph, as generic to the prior art rejection, is not well taken; as it ignores the later surrender of subject matter which was of concern to the claim. Specifically, the addition of limitations to later added claim 16 to exclude an interpretation that did not include a continuous, substantially circular arc without the argued limitation. Thus, claim 16 without the argued limitation, such as a continuous, substantially circular arc, was surrendered subject matter in *Pannu*. The fact that the reissue claim was narrower than another claim (original claim 1), which was also surrendered subject matter, did not render the reissue claim broader. See the relevant claim from the acceptance rule. *See By-*

being indefinite, because "it is not clear as to the meaning of 'retaining member . . . for cooperation with said inner end surface' since the retaining member is mounted in the bore outboard of the magnet" (page 2). Additionally, the examiner rejected claims 1 and 4, *inter alia*, under 35 U.S.C. § 103 as being unpatentable over Parsons (U.S. Pat. No. 4,663,938) in view of Clark (U.S. Pat. No. 3,007,504) and Miller (U.S. Pat. No. 2,806,390).

In an amendment filed August 31, 1995 (Paper No. 3), appellants added the following language to the end of the last paragraph of claim 1:

said retaining structure including a discrete retaining member friction fitted in said bore outboard of said magnet, said retaining member and said inner end surface cooperating to retain said magnet therebetween.

A copy of independent claim 1 as so amended is contained in Appendix A to this decision, with the added language shown in *italics*. According to appellants' remarks on page 4 of that amendment (Paper No. 3), appellants indicated that this amendatory language is clear and definite in reciting cooperation between the retaining member and the inner end surface of the bore to retain the magnet in place, thereby presumably responding to the indefiniteness rejection of claim 4, the subject matter thereof being substantially incorporated into independent claim 1. Additionally, appellants pointed out that:

[a] significant aspect of the invention is the provision of a discrete retaining member which is press-fit in the bore outboard of the permanent magnet. This permits the use of various sized magnets which do not have to be precisely sized for press-fit fitting in the bore, thereby avoiding the stress occasioned by the press-fit operation. It also permits the use of a straight bore which does not have to have special grooves or the like formed therein to accommodate a retaining member (Paper No. 3, page 5).

According to appellants, the above-cited language added to claim 1 more clearly brings out this distinguishing aspect of the invention, which is not disclosed or suggested by the cited references (Paper No. 3, page 5). With respect to claim 6, which depended from

claim 4 and was never the subject of a prior art rejection, appellants stated that the limitation therein that the retaining member is generally bowl-shaped, being convex toward the allowance of claim 6, since this arrangement is not disclosed or suggested in the art of record" (Paper No. 3, page 6).

In a final rejection (Paper No. 4), the examiner repeated the rejection of claim 1 *et al.* under 35 U.S.C. § 103. The examiner also repeated the rejection of claims 4-6 and 17 under 35 U.S.C. § 112, second paragraph, but did not apply the rejection under 35 U.S.C. § 112, second paragraph, to claim 1.

In response to the final rejection, appellants filed a second amendment on January 22, 1996 (Paper No. 5) in which the language "said retaining member being generally bowl-shaped and convex toward said magnet,"<sup>15</sup> was added to the last paragraph of claim 1. The claims were thus directed specifically to the embodiment of Figures 4 and 5. A copy of twice amended independent claim 1, with additions made in the second amendment shown in bold and the additions from the first amendment indicated in italics, is contained in Appendix A to this decision.

Appellants stated on Page 3 of that amendment (Paper No. 5) that "[a]s thus amended, claim 1 is effectively an independent form of claim 6, which was indicated to be allowable." Appellants' amendment also canceled claims 4-6, 13, 17, 18 and 21.

The examiner allowed the patent application without further comment (see Paper No. 7) and the original patent thereon issued on November 26, 1996.

### *The prosecution history of this reissue application.*

On July 2, 1998, appellants filed this application for reissue of the original patent. The reissue application included original patent claims 1-14 without amendment and added re-issue claims 15-22 thereto.

In a first Office action (Paper No. 2, page 3), the examiner rejected claims 15-22 under 35 U.S.C. § 251 as being an improper recapture of broadened subject matter in the application for the original patent upon which the

<sup>15</sup>This limitation was incorporated into claim 1 from claim 6, which had not been subject to a prior art rejection. The amendment also canceled claim 6.

present reissue is based (the rejection now before us). Additionally, the examiner rejected claim 22 under 35 U.S.C. § 251 as containing new matter not supported by appellants originally "affords an additional reason for the allowance of claim 6, since this arrangement is not disclosed or suggested in the art of record" (Paper No. 3, page 6).

In a final rejection (Paper No. 4), the examiner repeated the rejection of claim 1 *et al.* under 35 U.S.C. § 103. The examiner also repeated the rejection of claims 4-6 and 17 under 35 U.S.C. § 112, second paragraph, but did not apply the rejection under 35 U.S.C. § 112, second paragraph, to claim 1.

In response to the final rejection, appellants filed a second amendment on January 22, 1996 (Paper No. 5) in which the language "said retaining member being generally bowl-

shaped and convex toward said magnet,"<sup>15</sup> was added to the last paragraph of claim 1. The examiner, the subject matter not supported by the original patent was the limitation "continuous, closed, non-reentrant outer periphery."

In response to the examiner's new matter rejections of claim 22, appellants filed an amendment (Paper No. 3) to claim 22 deleting the language "and having a continuous, closed, non-reentrant outer periphery" and adding the following limitation:

said retaining member having a continuous outer periphery such that any two points on the periphery can be joined by a straight line segment which does not extend outside the periphery.

In the final rejection (Paper No. 4) in this reissue application, the examiner repeated the recapture rejection but did not repeat the new matter rejections. Copies of reissue claims 15 and 22, the only independent reissue claims involved in this appeal, are contained in Appendix B to this decision, with deletions in comparison to patent claim 1 shown in strikethrough and additions with respect to patent claim 1 highlighted by underlining. The italics and bold showing language that was added during prosecution of the patent application has also been retained in the reproduction of reissue claims 15 and 22.

### *Analysis.*

In accordance with the first step of the Clement test, we must compare the reissue claims with the patent claims to determine whether and in what "aspect" the reissue claims are broader than the patent claims.

Such comparison reveals that each of claims 15 and 22 is broader than patent claim 1 in that the limitations that the body is "cylindrical" and has an "axis," that the bore is axial and terminates in an inner end surface, that the magnet is a "permanent" magnet, that the bore is of "non-circular cross section," that

the retaining member is "generally bowl-shaped and convex toward said magnet" and that the retaining member and inner end surface cooperate to retain the magnet therebetween. The language "interference fitted" describing the fitting of the retaining member in the bore has also been omitted from the reissue claims. In our opinion, however, this is not in fact a broadening in this aspect; as the reissue claims do retain the limitation that the retaining member is "friction fitted" in the bore from specific type of interference fit, the additional language "and having a continuous, closed, non-reentrant outer periphery" does not constitute any broadening of the scope of the claim.

Having determined that the reissue claims have been broadened relative to patent claim 1, we must next determine whether those broadenings relate to surrendered subject matter. A review of the prosecution history outlined above reveals that appellants added the language "said retaining member being generally bowl-shaped and convex toward said magnet" to claim 1 in response to broadenings relate to surrendered subject matter (claim 1 prior to the amendment after the final rejection) and patent claim 1 in that prior to that amendment was not patentable, thereby surrendering the subject matter of that claim. Hence, the omission of this limitation in reissue claims 15 and 22 is an aspect germane to the prior art rejection. The deliberate amendment of claim 1 in an effort to overcome the prior art rejection is, in our view, an admission that the scope of the claim before the amendment is unpatentable and establishes that subject matter as surrendered subject matter.

The next stage in the inquiry is to compare the rejected reissue claims to the surrendered subject matter to determine in what aspects the reissue claims are broader than the surrendered subject matter and in what aspects the reissue claims are narrower than the surrendered subject matter. The reissue claims are broader than the surrendered subject matter in

[REDACTED]

<sup>16</sup>Original panel determination (page 24) that has been contested.

<sup>17</sup>The second step of the test set forth in Clement.

that the limitations "cylindrical," the body having an axis, the bore being "axial" and terminating at an inner end surface, "permanently," "non-circular" and the retaining member and inner end surface cooperating to retain the magnet therebetween have been omitted. However, these omitted limitations clearly relate to features which were not argued by appellants as distinguishing over the applied prior art and appear to be fully met by Parsons. We thus conclude that these omissions are not germane to a prior art rejection. In fact, the omission of the limitation that the body has an axis is not deemed to be a material broadening, in that any three-dimensional object would meet this limitation.

Next, we must determine if the reissue claims are narrower than the surrendered subject matter. Reissue claim 15 has been narrowed relative to both the surrendered subject matter (claim 1 prior to the amendment after the final rejection) and patent claim 1 in that reissue claim 15 limits the shape of the retaining member as "substantially" covering said outer surface of said magnet." Reissue claim 22 has likewise been narrowed relative to both the surrendered subject matter and patent claim 1 in that it limits the shape of the retaining member as "having a continuous outer periphery such that any two points on the periphery can be joined by a straight line segment which does not extend outside the periphery."<sup>18</sup> Since these limitations of claims 15 and 22 define the claimed subject matter over the applied prior art these limitations are germane to a prior art rejection.

[2] As reissue claims 15 and 22 are both narrower than the surrendered subject matter in an aspect germane to the prior art rejection (i.e., the shape of the retaining member) and broader only in aspects unrelated to the rejection, we reach the same conclusion as set forth on pages 25-26 of the earlier decision of the Board (Paper No. 17) that reissue claims 15 and 22, and hence claims 15-21,<sup>19</sup> which de-

<sup>18</sup>Unlike the situation in *Pearce*, the reissue claims before us have been narrowed in the same aspect (i.e., the shape of the retaining member) in which they were broadened with regard to the patent claim 1.

<sup>19</sup>As noted in the earlier decision in this appeal, the examiner's application of the reissue recognition criterion to reissue claim 18 seems illogical, in that reissue claim 18 includes the limitation that the retaining member is "generally bowl-shaped and convex toward said magnet" which is the subject of the examiner's rejection. With regard to footnote 39 on page 21 of the ex-

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pend from reissue claim 15, are narrower than the surrendered subject matter in an aspect germane to the prior art rejection and broader only in aspects unrelated to the rejection. The facts before us therefore fall into category (3)(b) as described by Clement, 131 F.3d at 1470, 45 USPQ2d at 1165:

In both *Mentor* and *Bell*, the relevance of the prior art rejection to the aspects narrowed in the reissue claim was an important factor in our analysis. From the results and reasoning of those cases, the following principles flow: (1) if the reissue claim is as broad as or broader than the canceled or amended claim [the surrendered subject matter] in all aspects, the recapture rule bars the claim; (2) if it is narrower [than the surrendered subject matter] in all aspects, the recapture rule does not apply, but other rejections are possible; (3) if the reissue claim is broader [than the surrendered subject matter] in some aspects, but narrower [than the surrendered subject matter] in other aspects, then: (a) if the reissue claim is as broad as or broader in an aspect germane to a prior art rejection, but narrower in another aspect completely unrelated to the rejection, the recapture rule bars the claim; (b) if the reissue claim is narrower in an aspect germane to [a] prior art rejection, and broader in an aspect unrelated to the rejection, the recapture rule does not bar the claim, but other rejections are possible.

Thus, in accordance with the principles set forth in *Clement*, the recapture rule does not bar the reissue claims in this case.<sup>20</sup>

On the record before us, we therefore rule that in view of Clement, which were both broader and narrower in areas relevant to the prior art rejections and thus did not fall into any of Clement's categories (1), (2), (3)(a) and (3)(b), see Clement, 131 F.3d at 1470, 45 USPQ2d at 1165 ("In [Clement's] case, reissue claim 49 [was] both broader and narrower in areas relevant to the prior art rejections."); *id.* at 1471, 45 USPQ2d at 1166 ("On balance, [Clement's] reissue claim 49 is broader than it is narrower in a manner directly pertinent to the subject matter that Clement surrendered throughout the prosecution. Even with the additional limitations, [Clement's] claims 50-52 are also broader than they are narrower in a manner directly pertinent to the subject matter that Clement surrendered during prosecution.").

The prosecution history of the patent application in this case does not persuade us that appellants surrendered anything narrower than the subject matter of claim 1 prior to the amendment after final, adding the limitation "said retaining member being generally bowl-shaped and convex toward said magnet." See *Festo*, 122 S.Ct. at 1838, 62 USPQ2d at 1711 (a patentee's decision to forgo an appeal and submit an amended claim is taken as a concession that the invention as patented does not reach as far as the original claim). Finally, as recognized by *Festo*<sup>21</sup>, 122 S.Ct. at 1840-41, imperfect art. While a narrowing amendment may demonstrate what the claim is, it may still fail to capture precisely what the claim is. *Id.* at 1841, 62 USPQ2d at 1712-13. Moreover, an amendment does not show that an applicant suddenly had more foresight in the drafting of claims than an applicant whose application was granted without amendments having been submitted. *Id.* In this case, it appears to us that appellants made an error in limiting the shape of the retaining member more narrowly than was required to overcome the prior art rejection, thereby claiming less than he had a right to claim in the patent.<sup>22</sup> And, in our view, this is the type of error which can be corrected by reissue under 35 U.S.C. § 251. To hold otherwise would controvert the remedial nature of the statute.

20. While, as pointed out by the dissent, "[a] patentee is not obliged to narrow his claims through amendment to be entitled to a general disclaimer of the territory between the original claim and the amended claim" (*Festo*, 122 S.Ct. at 1842, 62 USPQ2d at 1713) in the context of prosecution history estoppel when applying the doctrine of equivalents in an infringement action, we are aware of no case, and the dissent has not pointed to any case, which so defined, "surrendered subject matter" in the context of the reissue recapture rule. Indeed, as discussed above, the precedent in the fourth paragraph of 35 U.S.C. § 251 permits enlargement of the scope of patent claims in reissue within two years of the issue date of the patent, if it is quite apparent that the theory of disclaimer through narrowing amendments expressed in *Festo* cannot be applied to correction of patents through reissue consistent with 35 U.S.C. § 251.

21. See 35 U.S.C. § 251, § 1.

### Conclusion

### Ex parte Egger

Original independent claim 1 of the '992 application read as follows:	Independent claim 1 after Amendment A in the '992 application (additions in <b>italics</b> ):	Independent claim 1 after Amendment B and issued as claim 1 of 426 patent (additions in <b>bold</b> ):
<b>A bit holder comprising:</b>	<b>A bit holder comprising:</b>	<b>A bit holder comprising:</b>
a cylindrical body having a distal end surface and an axis, said body having formed in said end surface an axial bore terminating at an inner end surface,	a cylindrical body having a distal end surface and an axis, said body having formed in said end surface an axial bore terminating at an inner end surface,	a cylindrical body having a distal end surface and an axis, said body having formed in said end surface an axial bore terminating at an inner end surface,
a permanent magnet received in said bore and having an outer surface, and	a permanent magnet received in said bore and having an outer surface, and	a permanent magnet received in said bore and having an outer surface, and
retaining structure in contact with the outer surface of said magnet and interference fitted in said bore to retain said magnet in said bore;	retaining structure in contact with the outer surface of said magnet and interference fitted in said bore to retain said magnet in said bore;	retaining structure in contact with the outer surface of said magnet and interference fitted in said bore to retain said magnet in said bore;
said bore having a portion of non-circular transverse cross section outboard of said retaining structure defining a bit-receiving socket.	said bore having a portion of non-circular transverse cross section outboard of said retaining structure defining a bit-receiving socket.	said retaining structure including a discrete retaining member friction fitted in said bore outboard of said magnet,
		said retaining structure including a discrete retaining member friction fitted in said bore outboard of said magnet,

For the foregoing reasons, it is our opinion that the original patent did not err in its earlier decision in concluding that reissue claims 15-22 are not precluded by the recapture rule. As should be apparent from our discussion above, the examiner's request for rereading...

DENIED



claim or canceling a claim and replacing it with a new claim with that limitation) to overcome a patentability rejection, or (2) limitations argued to overcome a patentability rejection without amendment of a claim. This prohibition on recapture applies to any narrowing amendment or argument made to satisfy a Patent Act requirement, not just amendments or arguments to avoid prior art. While recapture "error" is literally construed, amendments and arguments deliberately made to overcome a patentability rejection in order to secure a patent presumptively constitute a "surrendered" subject matter, which is not correctable "error" under 35 U.S.C. § 251. It does not matter whether the examiner was right or wrong in making the rejection. Not only would allowing broadening a limitation added to overcome a patentability rejection impermissibly give the patentee a second chance to prosecute *de novo* his original application, it would also make members of the public who properly relied on prosecution history, become patent infringers when they do so.

Under this definition of "surrendered subject matter," it is clear that the reissue claims in the present case seek to recapture subject matter surrendered to secure the patent (i.e., subject matter broader than the limitation added by amendment) because they now embrace retaining member shapes intentionally surrendered as a result of amendments made to the claims in order to secure allowance of the claims of the original patent. I would reverse the original decision and sustain the examiner's rejection of claims 15-22 under 35 U.S.C. § 251 based on the reissue recapture doctrine and lack of "error."

#### The reissue recapture rule and "error"

The reissue statute is "based on fundamental principles of equity and fairness, and should be construed liberally." *In re Weiler*, 790 F.2d 1576, 1579, 229 USPQ 673, 675 (Fed. Cir. 1986). "An attorney's failure to appreciate the full scope of the invention is one of the most common sources of defects in patents." *In re Weiler*, 736 F.2d 1516, 1519, 222 USPQ 369, 371 (Fed. Cir. 1984). However, "not every event or circumstance that might be labeled 'error' is correctable by reissue." *Weiler*, 790 F.2d at 1579, 229 USPQ at 675. Indeed, the reissue procedure does not give the patentee the right "to prosecute *de novo*

his original application." *Id.* at 1582, 229 USPQ at 677.

The recapture rule prevents a patentee from regaining through reissue the subject matter that was surrendered in an effort to obtain allowance of the original claims. *In re Clement*, 131 F.3d 1458, 1468, 45 USPQ2d 1161, 1164 (Fed. Cir. 1997). As stated in *Mentor Corp. v. Codonics, Inc.*, 998 F.2d 992, 995, 27 USPQ2d 1521, 1524 (Fed. Cir. 1993):

If a patentee tries to recapture what he or she previously surrendered in order to obtain allowance of original patent claims, that "deliberate withdrawal or amendment ... cannot be said to involve the inadvertence or mistake contemplated by 35 U.S.C. § 251, and is not an error of the kind which will justify the granting of a reissue patent which includes the matter withdrawn." *In re Haile*, 148 USPQ 565, 569 (Ct. Cl. 1966).

Deliberate surrender of subject matter to secure allowance of the claims "is not the type of correctible 'error' contemplated by the reissue statute." *Hester Industries, Inc. v. Stein Inc.*, 142 F.3d 1472, 1480, 46 USPQ2d 1641, 1647 (Fed. Cir. 1998). While the scope of the claims of the original patent may be enlarged if a reissue patent is applied for within two years, 35 U.S.C. § 251, this does not permit recapture of subject matter surrendered during the initial prosecution. The question on appeal is what constitutes "surrendered subject matter."

#### Surrendered subject matter

"Surrendered subject matter" refers to the scope of the subject matter that applicant has admitted was not patentable. "Rarely is evidence of the patentee's intent in canceling a claim presented." *Ball Corp. v. United States*, 729 F.2d 1429, 1436, 221 USPQ 289, 294 (Fed. Cir. 1984). However, the applicant's intent may be inferred from actions in the prosecution history, as stated in *Clemens*, 131 F.3d at 1469, 45 USPQ2d at 1164:

Although the recapture rule does not apply in the absence of evidence that the applicant's amendment was "an admission that the scope of that claim was not in fact patentable," *Seattle Box Co. v. International Crating & Packing, Inc.*, 731 F.2d 818, 826, 221 USPQ 568, 574 (Fed. Cir. 1984), the court may draw inferences from changes in

claim scope when other reliable evidence of the patentee's intent is not available." *Bell*, 1470, 45 USPQ2d at 1165. Most reissue re-

capture cases can be analyzed under the second (broader) test because they involve a patentee trying to eliminate a limitation which was added or argued to overcome a patentability rejection (usually also adding other limitations that confound the analysis) to get back to the scope of the amended or canceled claim in that aspect. See, e.g., *Mentor*, 998 F.2d at 995-96, 27 USPQ2d at 1524-25 (Applicant

amended the claim and argued that none of the references shows the transfer of adhesive from the outer surface to the inner surface as the sheath is rolled up and then unrolled. The reissue claim eliminated this limitation.

"The reissue claims are broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution. *Mentor* thus attempted to reclaim what it earlier gave up."); *Clement*, 131 F.3d at 1470-71, 45 USPQ2d at 1165-66 (Reissue claim eliminated temperature, specific energy, and pH limitations, which had been added during prosecution to distinguish over the prior art, but was narrowed in the area of brightness, which was also related to a prior art rejection. "On balance, reissue claim 49 is broader than it is narrower [as compared to the amended claim] in a manner directly pertinent to the subject matter that *Clement* surrendered throughout the prosecution"); *Hester*, 142 F.3d at 1482-83, 46 USPQ2d at 1649-50 (Repeated arguments that "solely with steam" and "two sources of steam" limit the prior art "surrendered" claim scope that does not include these limitations); "Added broad as- or broader than the canceled or amended claim, either in whole or in part intended to overcome a prior art rejection. *Clemens* classified the differences between the reissue claims and the original patent claims as either: (1) an aspect germane to a prior art rejection; or (2) an aspect unrelated to the rejection. "[I]f the reissue claim is as broad as or broader than the canceled or amended claim in all aspects, the recapture rule bars the claim ... [o]f the reissue rule bars the claim if the reissue claim is as broad or broader than the canceled or amended claim in an aspect germane to a prior art rejection, but narrower in another aspect com-

pletely unrelated to the rejection, the recapture rule bars the claim." *Clement*, 131 F.3d at 1470, 45 USPQ2d at 1165. Most reissue re-

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Based on these cases, I agree with the exam-

inter's conclusion that limitations added or argued to overcome a patentability rejection may not be completely removed. However, this does not address the present special fact situation where a limitation added to overruled subject matter" more closely:

The principles of prosecution history estoppel apply to reissue patents. See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 588, 602, 56 USPQ2d 1855, 1899 (Fed. Cir. 2000) (Michel, J., concurring in part and dissenting in part), *warranted and remanded*, 122 S.Ct. 1831, 62 USPQ 1705 (2002).

[T]he law of prosecution history estoppel has developed with equal applicability to reissue patents and original patents whose claims were amended during prosecution. By at least 1879, the Supreme Court recognized that the process of obtaining a reissue patent precluded the patentee from reciting that which he had disclaimed (i.e., surrendered), through the resistance pro-

See also *Hester*, 142 F.3d at 1481, 46 USPQ2d at 1640 ("Like the reissue rule, prosecution history estoppel prevents a patentee from retaining subject matter surrendered by way of arguments or claim changes made during the prosecution of the original patent application.") with *Loral Fairchild Corp. v. Sony Corp.*, 181 F.3d 1313, 1322, 50 USPQ2d 1865, 1870-71 (Fed. Cir. 1999) ("Prosecution history estoppel applies to matter surrendered as a result of amendments to overcome patentability rejections, and as a result of argument to secure allowance of a claim." (internal citation omitted)). Any decision on reissue estoppel should be consistent with the principles of prosecution connection with prosecution history estoppel in *Festo*, 122 S.Ct. at 1838, 62 USPQ2d at 1711.

The doctrine of equivalents allows the patentee to claim those insubstantial alter-

ations that were not captured in drafting the original patent claim but which could be created through trivial changes. When, however, the patentee originally claimed the subject matter alleged to infringe but then narrowed the claim in response to a rejection, he may not argue that the surrendered territory comprised unforeseen subject matter that should be deemed equivalent to the literal claims of the issued patent. On the contrary, "[b]y the amendment [the patentee] recognized and emphasized the difference between the two phrases[] . . . and [the differences which]

[the patentee] thus disclaimed must be regarded as material." *Exhibit Supply Co. v. Ac. Patents Corp.*, 315 U.S. 126, 136-137, 62 S.Ct. 513, 86 L.Ed. 736 (1942). And, id. at 1842, 62 USPQ2d at 1713.

A patentee's decision to narrow his claims through amendment may be presumed to be a general disclaimer of the territory between the original claim and the amended claim. *Exhibit Supply*, 315 U.S. at 136-137, 62 S.Ct. 513 ("By the amendment [the patentee] recognized and emphasized the difference between the two phrases and proclaimed his abandonment of all that is embraced in that difference").

(The term "amended claim" is used here in the sense of a claim after it is amended, rather than in the sense of a claim before it is amended as in the reissue reception cases.) The same policy considerations that prevent a patentee from arguing equivalents within the surrendered territory should prohibit the patentee from expressly claiming subject matter within the surrendered territory in reissue. Thus, a narrowing amendment is presumed to surrender broader subject matter that could have been claimed to overcome the patentability rejection. Further, since "[a]rguments made to overcome prior art can equally evidence an admission sufficient to give rise to a finding of surrender," *Hester*, 142 F.3d at 1481, 46 USPQ2d at 1648, arguments are presumed to surrender broader subject matter that could have been claimed instead. Accordingly, the "surrendered subject matter" that may not be recaptured through reissue should be presumed to include subject matter broader than the patent claims in a manner directly related to (1) limitations added to the claims; by amendment (either by amending an existing claim or canceling a claim and replacing it

with a new claim with that limitation); to overcome a patentability rejection; and (2) limitations argued to overcome a patentability rejection without amendment of a claim. This presumption places the burden of showing that the amendment did not surrender the subject matter sought to be claimed in the reissue on the patentee. Cf. *Festo*, 122 S.Ct. at 1842, 62 USPQ2d at 1713 ("Just as *Winner-Junkin* held that the patentee bears the burden of proving that an amendment was not made for a reason that would give rise to estoppel, we hold here that the patentee should bear the burden of showing that the amendment does not surrender the particular equivalent in question.").

This definition is consistent with the statement that, under the reissue rule, "reissue claims . . . broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution" (emphasis added) are impermissible. *Mentor*, 998 F.2d at 996, 27 USPQ2d at 1525, cited in *Clement*, 131 F.3d at 1468, 45 USPQ2d at 1164; *Hester*, 142 F.3d at 1480, 46 USPQ2d at 1600. In determining in what aspect<sup>1</sup> the reissue claims are broader than the patent claims, "[a]lthough the scope of the claim is the proper inquiry, claim language, including limitations, defines claim scope" (internal citations omitted). *Clement*, 131 F.3d at 1468, 45 USPQ2d at 1164. Thus, it is proper to look at which limitations are deleted from the patent claims, if any, and which limitations are broadened. A limitation in the original patent claims, which was added by amendment or argued to overcome a patentability rejection during the original prosecution, is subject matter "pertinent to the subject matter surrendered during prosecution." If the reissue claim is broader than the original patent claim in this aspect, whether because the limitation is omitted or because the limitation is broader, this is an indication that the patentee is attempting to recapture subject matter surrendered to secure the patent. Since the test in *Mentor* is based on a comparison of the scope of the reissue claims to the scope of original patent claims, this indicates that the "surrendered subject matter" includes subject matter broader than the original patent claims in an aspect related to the patentability rejection, and is not limited to subject matter as broad

as or broader than the canceled or amended claims.

One uncertainty in the application of the reissue rule is the effect of broadening and narrowing limitations. As stated in *Mentor*, 998 F.2d at 996, 27 USPQ2d at 1525:

Reissue claims that are broader in certain respects and narrower in others [than the original patent claims] may avoid the effect of the reissue rule. If a reissue claim is broader in a way that does not attempt to reclaim what was surrendered earlier, the reissue rule may not apply. However, in this case, the reissue claims are broader than the original patent claims in a manner directly pertinent to the subject matter surrendered during prosecution. Mentor thus attempted to reclaim what it earlier gave up. Moreover, the added limitations do not narrow the [original patent] claims in any material respect compared with their broadening.

(The phrases in brackets are implied from the third sentence and from the context.) The last sentence suggests that broadening in an aspect germane to patentability may be offset by a material narrowing of the reissue claim in the same aspect. However, as stated in *Anderson v. Int'l Engg. & Mfg., Inc.*, 160 F.3d 1345, 1349, 48 USPQ2d 1631, 1634 (Fed. Cir. 1998):

In determining whether the scope of a claim has been enlarged, the reexamination practice has shared the body of precedent developed for reissue determinations. Thus this court has held that a change of words does not always mean change of scope, and that the question of whether the claims have been materially or substantially enlarged must be determined upon the claim as a whole. See *Mentor Corp. v. Coloplast, Inc.*, 998 F.2d 992, 996, 27 USPQ2d 1521, 1525 (Fed. Cir. 1993) ("Reissue claims that are broader in certain respects and narrower in others may avoid the effect of the reissue rule.") However, in *Mentor* the court explained that if the patentee is seeking to recover subject matter that had been surrendered during the initial prosecution this

<sup>1</sup> These statements indicate that the reissue reception principles (1), (2), (3)(b), and (3)(b) in *Clement*, 131 F.3d at 1470, 50 USPQ2d at 1155, should be measured with respect to the original patent claims instead of the canceled or amended claim of the application.

flexibility of analysis is eliminated, for the prosecution history establishes the substantiality of the change and estops its recapture. See *In re Clement*, 131 F.3d 1464, 1468, 45 USPQ2d 1161, 1164 (Fed. Cir. 1997).

Therefore, the overall scope of the reissue claims cannot recapture surrendered subject matter. Narrowing to avoid the recapture rule is further discussed in *Hester*, 142 F.3d at 1482-83, 46 USPQ2d at 1649-50.

Finally, because the recapture rule may be avoided in some circumstances, we consider whether the reissue claims were materially narrowed in other respects. See, e.g., *Mentor*, 998 F.2d at 996, 27 USPQ2d at 1525 ("Reissue claims that are broader in certain respects and narrower in others may avoid the effect of the recapture rule."); *Clement*, 131 F.3d at 1470, 45 USPQ2d at 1165. For example, in *Balti*, the recapture rule was avoided because the reissue claims were sufficiently narrowed (described by the court as "fundamental narrowness") despite the broadened aspects of the claims. *T29*, F.2d at 1438, 221 USPQ at 296. In the context of a surrender by way of argument, this principle, in appropriate cases, may operate to overcome the recapture rule when the reissue claims are materially narrower in other overlooked aspects of the invention. The purpose of this exception to the recapture rule is to allow the patentee to obtain through reissue a scope of protection to which he is rightfully entitled for such overlooked aspects.

The statement that a reissue claim, which is narrower in overlooked aspects, may avoid the recapture rule is apparently meant to refer to situations where the patentee erred in not claiming a certain aspect of the disclosed invention. See *In re Amos*, 953 F.2d 613, 614, 21 USPQ2d 1271, 1272 (Fed. Cir. 1991). The original claims recited a cam means to lift rollers out of engagement with the workpiece and "were not directed to the alternative of using a computer to control the lifting of the rollers." However, if the scope resulting from the broadening and narrowing covers the subject matter which was surrendered, then the recapture rule should still apply.

If the patentee were allowed to broaden the limitation added to overcome a patentability rejection, this would effectively amount to impermissible *de novo* prosecution of the appli-

cation because it amounts to taking out the limitation to go back to the scope of the canceled or surrendered claim (or the claim that was argued) and then trying to see if a broader limitation would be successful in overcoming the rejection. The reissue procedure does not give the patentee "a second opportunity to prosecute *de novo* his original application." *Weiter*, 790 F.2d at 1582, 229 USPQ at 677. In addition, it would be unfair to the public because the broader reissue claim would cover subject matter which members of public who relied on prosecution history would have deemed surrendered. As stated in *Mentor*, 998 F.2d at 996, 27 USPQ2d at 1525:

Error under the reissue statute does not include a deliberate decision to surrender specific subject matter in order to overcome prior art, a decision which in light of subsequent developments in the marketplace might be regretted. It is precisely because the patentee amended his claims to overcome the prior art that a member of the public is entitled to occupy the space abandoned by the patent applicant. Thus, the reissue statute cannot be construed in such a way that competitors properly relying on prosecution history, become patent infringers when they do so. In this case, Mentor narrowed its claims for the purpose of obtaining allowance in the original prosecution and it is now precluded from recapturing what it earlier conceded.

See also *Hester*, 142 F.3d at 1481, 46 USPQ2d at 1648-49 (the same reasoning binds the patentee to deliberate assertions made in order to obtain allowances of the original patent claims over the prior art). While a patentee can file for a broadening reissue within two years, the public is entitled to rely on prosecution history to indicate those limitations which have been surrendered and cannot be regained through reissue.

The majority notes that 35 U.S.C. § 251, fourth paragraph, clearly places the public on notice that the scope of claims of a patent may be broadened in a reissued patent applied for within two years from the grant of a patent. Nevertheless, the public is entitled to rely on the law that any broadening within two years is subject to the reissue recapture rule.

Like the court in *In re Doyle*, 293 F.3d 1355, 1363-64, 63 USPQ2d 1161, 1168 (Fed. Cir. 2002), the majority here observes that the public is protected from the effect of broaden-

ing by the intervening rights provisions of 35 U.S.C. § 252, second paragraph. In *Doyle*, the court held that inadvertent failure to present a claim broad enough to read on—or link—to two or more groups of claims subject to a restriction requirement, is an error correctable by reissue. By contrast, in the present situation, the patentee has gone back and undone those amendments deliberately presented during prosecution of the original patent to secure allowance. In such an instance, the defense of intervening rights is poor consolation for accused infringers who rely on prosecution history estoppel under the reissue recapture rule to practice surrendered subject matter and their attorneys who advise them. Such accused infringers must bear the substantial expense related to the lawsuit or licensing of a reissue patent which should not have been granted. Moreover, intervening rights only apply where there has been "substantial preparation," which must be proved by costly court litigation, and is based on "such terms as court deems equitable for the protection of investments made or business commenced before the grant of the reissue." Therefore, relief is expensive and uncertain. Intervening rights is not an excuse for allowing recapture.

The majority states that applicants who use a continuing application are not constrained by the reissue recapture rule and that imposing the *per se* rule urged by the examiner would push applicants to file continuing applications to pursue broader claims which does not afford the safeguards of the reissue statute. Continuation practice and the policy interface between continuation practice and reissue are not at issue.

**Patentability.**

The Supreme Court in *Festo* agreed with the Federal Circuit that prosecution history estoppel is not limited to amendments made to avoid the prior art, but "a narrowing amendment made to satisfy any requirement of the Patent Act may give rise to estoppel." *Festo*, 132 S.Ct. at 1839, 62 USPQ2d at 1711-12. There is no reason why this holding should not also apply in the context of reissue recapture.

#### Inconsistency with other cases

Admittedly, certain language in the cases more readily supports the majority's and applicants' position that "surrendered subject

matter" is defined by the scope of the subject matter of the canceled or amended claims and that if a reissue claim is narrower than the canceled or amended claim, as a whole or in part, in scope than the canceled claims." *T29*, F.2d at 1436, 221 USPQ at 295 ("The recapture rule does not bar the patentee from acquitting, through reissue, "claims that are narrower in scope than the canceled claims."); *Clement*, 131 F.2d at 1470, 45 USPQ2d at 1165 ("[I]f the reissue claim is narrower in all aspects [than the canceled or amended claim], the recapture rule does not apply, but other rejections are possible . . . for if the reissue claim is narrower in an aspect germane to prior art rejection [than the canceled or amended claim], and broader in an aspect unrelated to the rejection, the recapture rule does not bar the claim, but other rejections are possible."); Older cases expressly say that an added limitation may be broadened in reissue. See *In re Richman*, 493 F.2d 269, 274-75, 161 USPQ 359, 363 (CCPA 1969), although these cases are more generous than modern cases about correctable "error," and the issue of "surrendered subject matter" does not seem to have been raised in these cases.

Nevertheless, in my opinion, *Mentor*, *Hester*, and *Parvin* support the definition of "surrendered subject matter" as presumptively including the scope of subject matter broader than the limitation added or argued to overcome a patentability rejection, consistent with the statements in *Festo*. The reissue recapture principles (1), (2), (3)(a), and (3)(b) in *Clement*, 131 F.2d at 1470, 45 USPQ2d at 1165, should be measured with respect to the claims of the original patent instead of the canceled or amended claim of the application that matured into the patent. Deliberately surrendered subject matter is not correctable "error" under 35 U.S.C. § 251; thus, amending too narrowly is not an "error." While the outcomes in *Mentor*, *Hester*, and *Parvin* can be rationalized as consistent with the classic recapture situation of the reissue claims entirely removing a limitation which was added or argued to overcome a prior art rejection, I see the language in those cases about reissue claims broader than patent claims in an aspect related to a patentability rejection being impermissible under the recapture rule, as an obstacle to the majority's decision. I think the Federal Circuit

by "surrendered subject matter," which includes the question of "error" under § 251.

#### Application to facts

The prosecution history is summarized by claiming of the retaining member.

Application of the recapture rule is a three-step process. The first step is to "determine whether and in what 'aspect' the reissue claims are broader than the patent claims." Clemens, 131 F.3d at 1468, 45 USPQ2d at 1164. Reissue claims 15 and 22 are broader than original patent claim 1 in the following ways: (1) the limitation of claim 1 that the body is a "cylindrical body" with an "axis" is omitted; (2) the limitation of claim 1 that the bore is an "axial bore terminating at an inner end surface" is omitted; (3) the limitation of claim 1 that the bore has a portion of "non-circular cross section" is omitted; (4) the limitation that the magnet is a "permanent" magnet is omitted; (5) the limitation of claim 1 that "said retaining member and said inner end surface for the bore" cooperating to retain said magnet therebetween" is omitted; and (6) the limitation of claim 1 of "said retaining member being generally bowl-shaped and convex toward said magnet" has been replaced with the broader limitation "retaining member ... substantially covering said outer surface of said magnet" in claim 15 and with the broader limitation "said retaining member being generally bowl-shaped and convex toward said magnet" has been re-

[reissue claims are] materially narrowed in other respects to avoid the recapture rule." Hester, 42 F.3d at 1482-83, 46 USPQ2d at 1649-50; Clemens, 131 F.3d at 1470, 45 USPQ2d at 1165; Pannk, 238 F.3d at 1371, 59 USPQ2d at 1600. The limitation "said retaining member being generally bowl-shaped and convex toward said magnet" in patent claim 1, which was added to overcome a prior art rejection, has been replaced with the limitation "retaining member ... substantially covering said outer surface of said magnet" in claim 15 and with the limitation "said retaining member having a continuous outer periphery such that any two points on the periphery can be joined by a straight line segment which does not extend outside the periphery" in claim 22. The majority characterizes these new limitations as broader descriptions of the shape of the retaining member. It does appear that the new reissue limitations are generic descriptions of shape and that the omitted limitation, "said retaining member being generally bowl-shaped and convex toward said magnet," is one species of shape. The majority finds that the reissue claims have been narrowed in the same aspect in which they were broadened in (1), (2), (3), and (4) were in claim 1 as originally filed in the application and, thus, were not added to overcome a prior art rejection; nor were the limitations argued to distinguish over the prior art. Thus, these limitations do not relate to an aspect germane to a

prior art rejection and are not presumed to be surrendered subject matter. The reissue recapture rule is not triggered by their removal. See Clement, 131 F.3d at 1470, 45 USPQ2d at

where a reissue claim is as broad as or broader in an aspect germane to a prior art rejection).

Limitation (5) was added to claim 1 by amendment primarily to overcome an indefiniteness rejection and the majority does not consider this to relate to surrendered subject matter.<sup>2</sup> Limitation (6), "said retaining member being generally bowl-shaped and convex toward said magnet," was present in original dependent claim 6 in the patent application, which was not rejected over prior art. The limitation was added to original claim 1 and argued to define over the prior art and thus, is an aspect related to surrendered subject matter.

The final step is to "determine whether the [reissue claims are] materially narrowed in other respects to avoid the recapture rule."

Hester, 42 F.3d at 1482-83, 46 USPQ2d at 1649-50; Clemens, 131 F.3d at 1470, 45 USPQ2d at 1165; Pannk, 238 F.3d at 1371, 59 USPQ2d at 1600. The limitation "said retaining member being generally bowl-shaped and convex toward said magnet" in patent claim 1, which was added to overcome a prior art rejec-

tion, is not added to overcome the recapture rule. The subject matter of the amended claim is therefore, the reissue claims do not recapture the subject matter of the amended claim.

I agree that the majority's decision is not inconsistent with the testis set out under cases such as Bell and Clement, and that appellants were entitled to rely on Bell since it has never been overruled or qualified in this regard.

However, under the *Festo* definition of "surrendered subject matter" as including subject matter broader than the limitation that was added or argued to overcome a patentability rejection, the reissue claims clearly try to recapture surrendered subject matter. Since the limitation "retaining member ... substantially

covering said outer surface of said magnet" in claim 15 and the limitation "said retaining member having a continuous outer periphery such that any two points on the periphery can be joined by a straight line segment which does not extend outside the periphery" in claim 22 are acknowledged to be broader than the limitation "said retaining member being generally bowl-shaped and convex toward

said magnet" in patent claim 1, and since the reissue claims are not narrower than patent claim 1 (as opposed to original application claim 1 before it was amended) in any aspect related to shape, the reissue claims recapture surrendered subject matter related to the shape of the retaining member. For example, reissue claims 15 and 22 cover flat or annular retaining members which were not covered under original patent claim 1.<sup>3</sup> It is precisely because the patentee amended his claims to overcome prior art that a member of the public is entitled to occupy the space abandoned by the patent applicant. Thus, the reissue statute cannot be construed in such a way that competitors, properly relying on prosecution history, become patent infringers when they do so." Hester, 998 F.2d at 965, 27 USPQ2d at 1525. The public was entitled to rely on the prosecution history to determine that appelleants admitted the scope of the original claim 1 was

shape broader than "said retaining member being generally bowl-shaped and convex toward said magnet" in patent claim 1. The reissue claims are barred by the recapture rule.

Issue: claims are barred by the recapture rule. Appellants' amendment in the original application to narrow claim 1 more than needed to overcome the prior art is not curable "error" under the recapture statute.

Error under the recapture statute does not include a deliberate decision to surrender specific subject matter in order to overcome prior art, a decision which in light of subsequent developments in the marketplace might be regretted." Mentor, 998 F.2d at 996, 27 USPQ2d at 1525.

I would reverse the original decision and sustain the examiner's rejection of claims 15-22 under 35 U.S.C. § 251 based on the recapture doctrine and lack of correctable "error."

<sup>2</sup> While I believe that an amendment to overcome any kind of patentability rejection can lead to recapture by comparison to the prosecution history regarding the divisional patent filed concurrently with the filing of the divisional included an amendment reading "said retaining structure including a discrete, flat, insulating, for design, and since there is no evidence that certificate was obtained fraudulently; defendants facing motion for summary

## MOYNA LLC v. Victoria's Secret Direct New York LLC

U.S. District Court  
Southern District of New York  
No. 01 Civ. 9625 (JFK)

Decided August 19, 2003

### COPYRIGHTS

[1] Notice, deposit, and registration — Registration — Effect (§ 207/§702)

Rights in copyright; Infringement — Ownership of copyright — In general (§ 213.03(b)).

### JUDICIAL PRACTICE AND PROCEDURE

Procedure — Summary judgment — In general (§ 410.3301)

Procedure — Discovery — In general (§ 410.4001)

<sup>3</sup> Appellants also filed divisional Application 03/593,395 of the present application, which issued as U.S. Patent 5,630,248, and reissued as RE 36,197. A preliminary amendment filed concurrently with the filing of the divisional included an amendment reading "said retaining structure including a discrete, flat, insulating, for design, and since there is no evidence that certificate was obtained fraudulently; defendants facing motion for summary

PTO/SB/51 (07-03)

Approved for use through 01/31/2004. OMB 0651-0033

U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

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<b>REISSUE APPLICATION DECLARATION BY THE INVENTOR</b>		Docket Number (Optional) 67,063-020
<p>I hereby declare that:</p> <p>Each Inventor's residence, mailing address and citizenship are stated below next to their name.</p> <p>I believe the inventors named below to be the original and first inventor(s) of the subject matter which is described and claimed in patent number <u>6,349,832</u>, granted <u>Feb. 26, 2002</u> and for which a reissue patent is sought on the invention entitled <u>STUD AND RIDER FOR USE ON MATRIX TRAYS</u>,</p> <p>the specification of which</p> <p><input type="checkbox"/> is attached hereto.</p> <p><input checked="" type="checkbox"/> was filed on <u>2/25/2004</u> as reissue application number <u>10/786,915</u></p> <p>and was amended on _____.</p> <p>(If applicable)</p>		
<p>I have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above.</p> <p>I acknowledge the duty to disclose information which is material to patentability as defined in 37 CFR 1.56.</p> <p><input checked="" type="checkbox"/> I hereby claim foreign priority benefits under 35 U.S.C. 119(a)-(d) or (f), or 365(b). Attached is form PTO/SB/02B (or equivalent) listing the foreign applications.</p> <p>I verify believe the original patent to be wholly or partly inoperative or invalid, for the reasons described below. (Check all boxes that apply.)</p> <p><input type="checkbox"/> by reason of a defective specification or drawing.</p> <p><input checked="" type="checkbox"/> by reason of the patentee claiming more or less than he had the right to claim in the patent.</p> <p><input type="checkbox"/> by reason of other errors.</p>		
<p>At least one error upon which reissue is based is described below. If the reissue is a broadening reissue, such must be stated with an explanation as to the nature of the broadening:</p> <p>Applicant had the right to claim the combination of a matrix tray carrier having a slot in an end wall and a rider that is received in the slot, as now claimed in the new claims of this reissue application. The originally issued claims were erroneously limited to a rider required to be associated with a stud. The new claims of this reissue application do not include the stud of the issued claims. Instead, the new claims include limitations regarding the rider that require it to be configured to be received into the slot such that the rider is moveable relative to the slot in a direction that is generally perpendicular to a plane associated with receptacles of the main body of the matrix tray. The rider of the new claims is secured within the slot against movement in a direction that is generally parallel to the same plane.</p>		

[Page 1 of 2]

This collection of information is required by 37 CFR 1.175. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 30 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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05/05/2005 THU 16:26 FAX 12489888363 Carlson, Gaskey & Olds

4031/032

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(REISSUE APPLICATION DECLARATION BY THE INVENTOR, page 2)		Docket Number (Optional) 67,063-020																									
All errors corrected in this reissue application arose without any deceptive intention on the part of the applicant.																											
Note: To appoint a power of attorney, use form PTO/SB/81.																											
Correspondence Address: Direct all communications about the application to:																											
<input checked="" type="checkbox"/> Customer Number: 026096		OR																									
<table border="1"><tr><td><input checked="" type="checkbox"/> Firm or Individual Name</td><td colspan="3">David J. Gaskey</td></tr><tr><td>Address</td><td colspan="3">Carlson, Gaskey &amp; Olds</td></tr><tr><td>Address</td><td colspan="3">400 W. Maple Rd., Ste. 350</td></tr><tr><td>City</td><td>Birmingham</td><td>State</td><td></td></tr><tr><td>Country</td><td colspan="3">US</td></tr><tr><td>Telephone</td><td>248-988-8360</td><td>Fax</td><td>2480988-8363</td></tr></table>				<input checked="" type="checkbox"/> Firm or Individual Name	David J. Gaskey			Address	Carlson, Gaskey & Olds			Address	400 W. Maple Rd., Ste. 350			City	Birmingham	State		Country	US			Telephone	248-988-8360	Fax	2480988-8363
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Full name of sole or first inventor (given name, family name) Tiang Fong HAN																											
Inventor's signature		Date																									
Residence 16 Jalan. Teliti, Singapore 537308		Citizenship Singapore																									
Mailing Address 16 Jalan. Teliti, Singapore 537308																											
Full name of second joint inventor (given name, family name)																											
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Full name of third joint inventor (given name, family name)																											
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<input type="checkbox"/> Additional joint inventors or legal representative(s) are named on separately numbered sheets forms PTO/SB/D2A or D2LR attached hereto.																											

[Page 2 of 2]

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## **DECLARATION — Supplemental Priority Data Sheet**

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**Additional provisional applications:**

Application Number	Filing Date (MM/DD/YYYY)

**Additional U.S. applications:**

U.S. Parent Application Number	PCT Parent Number	Parent Filing Date (MM/DD/YYYY)	Parent Patent Number <i>(If applicable)</i>

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